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INSTRUCTIONS FOR STATE AND COUNTY COMMITTEES RELATIVE TO RENEWAL OR EXTENSION
OF LOANS AND SUPERVISING DELIVERY OF COLLATERAL IN PAYMENT OF 1938 AND 1938-
39 CORN LOANS

Introduction.

Under the provisions of the Agricultural Adjustment Act of 1938, 271,315 loans have been made on 257,127,595 bushels of corn at 57 cents. Under the 1938 Corn Loan Program, 30,549 loans were made on 29,635,961 bushels of 1937 corn, 9,022,671 bushels of which were stored as shelled corn and 20,613,290 bushels stored as ear corn. Under the 1938-39 Corn Loan Program, 240,766 loans were made on 227,491,634 bushels of 1938 corn, all of which was stored as ear corn. All of these loans are nonrecourse loans maturing August 1, 1939, and producers are permitted to deliver the corn collateral in payment of their loans.

The Bureau of Agricultural Economics has reported a prospective carry-over for October 1, 1939, of approximately 400,000,000 bushels, which would be the largest on record, and on July 10, 1939, reported a probable harvested corn acreage for 1939 of 90,734,000 acres, and an indicated total production of 2,570,795,000 bushels. With such a large supply of corn in prospect for the coming year, it becomes imperative that the ever-normal granary plan really be made effective.

The 257,000,000 bushels of corn now under loan represent a large percentage of the prospective carry-over, while the 143,000,000 bushels not under loan would be only 30,000,000 bushels below a normal carry-over. To release any appreciable amount of the corn now under loans to the market would be disastrous to corn prices and eventually to livestock prices because of the large number of livestock, particularly hogs, now available for feeding.

County committees will be responsible for making the Ever-Normal Granary effective. The Resealing Program, administered by the county committees, provides means for this purpose: (1) by a loan extension or renewal program for borrowers under the 1938 and 1938-39 Corn Loan Programs; (2) by accepting no deliveries on corn in payment of loans before September 1, 1939, or such time as the status of the 1939 corn crop may be determined; (3) by giving first consideration to country warehouses for storing corn which is delivered in payment of loans, and (4) by storing all corn delivered in payment of loans until it is needed on farms for livestock feed or until higher corn prices justify its movement into regular trade channels.

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PART I. CORN LOAN EXTENSIONS AND RENEWALS.

All loans under the 1938 and 1938-39 Corn Loan Programs may be extended by the execution of 1938-39 CCC Corn Form A-2 (Corn Storage Agreement) after the corn collateral is reinspected and resealed, except that when ear corn collateral is shelled and farm-stored, or when corn is moved to a different legal description, a new chattel mortgage (1938-39 CCC Corn Form A-4) must be used or, in case a loan is renewed when the corn collateral is in warehouse storage, a Note and Loan Agreement (1938-39 CCC Corn Form A-5) will be required.

State and county committees will be governed in the reinspection and sealing of corn as collateral for 1939 corn loan extensions and renewals by Commodity Loan Regulations No. 1, "Regulations Governing Inspection and Sealing of Agricultural Commodities on the Farm to be Used as Collateral for Loans, and the Completion of Loan Documents, Pursuant to the Provisions of the Agricultural Adjustment Act of 1938, as Amended."

Section 1. Eligible Producers. Any producer now having a 1938 or 1938-39 corn loan will be eligible for an extension or a renewal. Participation in or performance under the 1939 Agricultural Conservation Program will not be considered in determining eligibility.

Section 2. Eligible Corn. Only corn now under loan will be eligible. Loans on 1937 corn under the 1938 Corn Loan Program will be extended or renewed only when the collateral is stored as shelled corn on farms or in approved warehouses. Loans on 1938 corn under the 1938-39 Corn Loan Program may be extended or renewed when the collateral is farm-stored either as ear corn or shelled corn, or when stored as shelled corn in approved warehouse storage.

To be eligible for a loan extension or renewal, the corn collateral must grade No. 3 or better, must contain not more than $13\frac{1}{2}$ percent moisture when stored as shelled corn and $15\frac{1}{2}$ percent moisture when stored as ear corn and must be stored in acceptable storage structures.

Section 3. Eligible Storage. The requirements for ear corn storage are contained in 38-Corn-2, "Corn Storage in the Ever-Normal Granary," copies of which have been supplied to county committees. This bulletin also contains information on structural requirements of bins for shelled corn. Properly constructed steel bins have been found to be satisfactory storage for shelled corn. County committees shall approve only those storage structures which will keep corn without danger of loss or damage under ordinary conditions for a period of at least two years. Shelled corn may be stored in elevators that have been approved for such storage.

Section 4. Sealing Fees. Sealing fees may be charged in counties where necessary to cover cost of the Resealing Program. Such fees will be established pursuant to instructions from the State committee.

Section 5. Liens. Where chattel mortgage loans are being extended by execution of the Corn Storage Agreement A-2, new lien waivers will not be required; but where a new chattel mortgage or a Note and Loan Agreement is completed, as in the case of ear corn collateral which is transferred to a shelled corn basis, or ear corn moved and stored on a different quarter section of land, lien waivers will be required.

Section 6. Maturity of Loan Extension. All 1938 and 1938-39 corn loans mature August 1, 1939; and the loan extension or renewal will be for one year, maturing August 1, 1940. If the corn is stored on the farm, the borrower must agree to store the corn collateral until October 1, 1940. The privilege of extending or renewing loans will be available until October 1, 1939.

Section 7. Farm Storage Allowance. The Corporation agrees to pay the borrower seven cents (7¢) per bushel storage upon delivery of the corn collateral to the Corporation at or subsequent to maturity of the extension or renewal period. The full payment of such storage allowance is conditioned upon the delivery by the producer at the designated delivery point of the quantity of corn stated in the mortgage grading No. 3 or better.

Section 8. Farm Storage Advance. Upon request from the producer at the time extension or renewal is made, the Corporation will advance the seven cents (7¢) per bushel storage allowance, solely for the purpose of acquiring

or constructing additional facilities for the farm storage of corn. In case the borrower wishes to extend or renew his loan on part of the corn and deliver the balance of the corn covered under the original loan, the storage allowance will be advanced only on that portion of the corn resealed and will not be paid to the producer until all of the corn is accounted for by resealing or delivery. Any advance will be an additional lien against the corn collateral and bear interest at 4 percent. County committees should direct the producer's attention to section 3 in the "Corn Storage Agreement" and to section 10 in the "Mortgage" and particularly to the following: "To utilize such advance for any purpose other than the aquisition or construction of farm storage facilities for corn shall be construed as a misrepresentation on the part of the producer and it is agreed that said note shall become immediately due and payable."

If before October 1, 1940, the corn collateral is destroyed or deteriorating because of a hazard covered by insurance, the seven cent (7¢) storage advance will be considered as a charge against the corn, and such charge shall be paid from the insurance fund created by the borrower's payment of one-fifth cent (1/5¢) per bushel when the loan was extended or renewed.

If the producer desires the storage advance or any part thereof paid to any other person, he should indicate the name of such person in a signed letter, such letter to accompany the loan documents.

Section 9. Insurance. In lieu of both primary and secondary insurance to protect the Commodity Credit Corporation against losses on loan corn, borrowers will pay to the county committee one-fifth of a cent (1/5¢) per bushel on corn stored on farms and one-tenth of a cent (1/10¢) per bushel on corn stored in approved warehouses. Such funds to be remitted to Commodity Credit Corporation, Washington, D.C. to protect the Corporation against loss or impairment of any corn collateral from the perils of fire, lightning, cyclone, tornado, windstorm, inherent explosion, flood, hail, and theft. In the event of such loss or impairment, the borrowers agree to report promptly to their respective county committees and utilize all reasonable means to protect the corn collateral from further damage. However, if such loss or impairment is occasioned through the act or negligence of the borrower, the provisions of section 7 of 1938-39 CCC Corn Form A-4, or section 4 of 1938-39 CCC Corn Form A-2, relating to set-off, shall apply as if the borrower had failed to make delivery as provided under section 4 of 1938-39 CCC Corn Form A-4. Settlement shall be made by crediting on the producer's note the net sales proceeds for any damaged or impaired corn plus such additional amount as may be necessary to equal the loan value plus interest and charges of such corn, and Commodity Credit Corporation shall be subrogated to all rights of the producer against any third party after such settlement, provided that, if there is any insurance in effect, claim will first be made under the terms of such policies and amounts collected will be remitted immediately to the Corporation to be applied on said note and the amount of settlement referred to shall be reduced accordingly.

9 County committees are required to report collections of the insurance fee on 39-Corn Loan 4, "County Committee Report of Corn Loans Extended or Renewed" in column (1) thereof. 39-Corn Loan 5 will accompany all remittances of this fee to Commodity Credit Corporation.

Section 10. Quantity Determination. Shelled Corn: The number of cubic feet of shelled corn less the space occupied by braces, cross ties, ventilators, etc., should be divided by $1\frac{1}{4}$ or multiplied by 0.8 to determine the number of bushels of corn. Ear Corn: (Settled basis - rescaled without moving). The number of cubic feet of ear corn less the space occupied by ventilators, cross ties, braces, excess stalks, husks, etc., should be divided by $2\frac{1}{4}$ cubic feet or multiplied by 0.4444 to determine the number of bushels. Ear Corn: (Transferred at time of loan renewal). The number of cubic feet of ear corn less the space occupied by ventilators, cross ties, braces, excess stalks, husks, etc., should be divided by $2\frac{1}{2}$ or multiplied by 0.4 to determine the number of bushels.

Section 11. Applicants. Producers desiring to extend or renew their loans should make application to the county agricultural conservation committee. Members or employees of the county committee should explain the program to the producer and advise him as to the probable eligibility of his corn and storage. If it appears that his corn and storage are eligible for a loan, the county committee should instruct an inspector to make an inspection and complete a work sheet (39-Corn Loan 1 or 39-Corn Loan 1-S).

Section 12. Inspection. (a) 1938 Corn to be Resealed as Ear Corn. The inspector should make an inspection of the corn and the structure in which the corn is stored. If he considers the corn and structure eligible for a loan extension he will remeasure the corn, complete a work sheet (39-Corn Loan 1), and take a representative sample of the corn. The inspector should use an ear corn probe for taking the sample and should reseat the crib before leaving the premises using the same seal number and adding E-8 to the end of the number (example: 146E-8). In counties where the damage is negligible in 1938 corn to be resealed as ear corn, the State committee may determine that all samples taken from such corn need not be sent to its office for grade determination. County committees should not make such grade determinations unless instructed by the State committee to do so. However, county committees should send all samples of corn to the State office for grade determination if any doubt exists as to the sample grading No. 3 or better. In authorized counties, an examination of the sample shall be made in the county office and should there be no doubt regarding eligibility as to grade and moisture content, the estimated grade and moisture content and the date should be entered in section II on both copies of the work sheet. The word "county" shall be substituted for the word "State" and the person authorized to make the determination should sign in the space provided. The original copy of the work sheet will be retained in the county office and the duplicate sent to the State office. If the inspector finds a deficiency in the quantity or quality of the corn, he shall complete one copy of Corn Loan 11 and transmit it to the county office. The producer agreed in section 2(a) of the original Chattel Mortgage that the number of bushels of corn upon which the loan was computed was in existence; therefore, the county committee shall not complete the loan extension until the shortage has been settled for at 57 cents per bushel plus interest and other charges. Such settlement must be made either by cash payment or by the execution of form AAA-372 where the borrower is entitled to receive payments sufficient to cover such amount under any program administered by the Agricultural Adjustment Administration. If the quality of the corn is unacceptable, the county committee shall require that the loan be liquidated by the delivery of the collateral in accordance with Part II hereof or payment of the loan in full.

(b) 1937 Shelled Corn to be Resealed in Farm Storage. The inspector will make a careful inspection of the storage structure in which the corn is stored, remeasure the corn in the bin and take a representative sample for grade determination. He will complete a work sheet, "39-Corn Loan 1S", and reseal the structure, using the same seal number, adding S-7 to the end of the number. (Example: 98S-7.) The sample and work sheet should be mailed to the State office. If the inspector finds the quantity or quality of the corn to be unsatisfactory, he shall complete one copy of Corn Loan 11 and transmit it to the county office. In such cases, the county committee shall proceed as provided in paragraph (a) above.

(c) 1937 or 1938 Ear Corn to be Shelled and Resealed in Farm Storage. The inspector shall measure the corn to determine that there is no shortage in the quantity, and carefully inspect the corn for quality, using an ear corn probe to take samples. If he finds the quantity and quality of the corn and the bin in which the corn is to be stored acceptable, he shall authorize the borrower to break the seal, shell and remove foreign material and store the corn. After shelling and cleaning is completed, the inspector will take a representative sample of the shelled corn and complete a work sheet, "39-Corn Loan 1S." Then he shall seal the structure using the old seal number and placing 7-S at the beginning of the number for 1937 corn. (Example: 7-S134), or 8-S for 1938 corn (Example: 8-S72). If the inspector finds a shortage or the quality is unacceptable, or the corn has been improperly cleaned, he shall complete a Corn Loan 11, and the county committee shall proceed as provided in paragraph (a) above.

(d) 1937 or 1938 Shelled Corn to be Stored in Approved Warehouses for Loans. Borrowers must make application to the county committees for permission to move corn. The county committee will prepare two copies of Corn Loan 15 and instruct an inspector to make a preliminary inspection. The inspector should measure the corn to determine any shortage and carefully inspect the corn for quality. If the corn is unacceptable due to quality, one copy of Corn Loan 11 should be prepared by the inspector and submitted to the county office. If there is a shortage in quantity and the quality is satisfactory, delivery may be authorized but the county committee should not complete a renewal agreement until settlement has been made as provided in paragraph (a). If the corn has been properly cleaned and is of acceptable quality and no shortage exists, the inspector will forward one copy of Corn Loan 15 to the producer and one copy to the warehouseman. A representative sample of the corn delivered shall be secured and transmitted as provided in Corn Loan 15.

Section 13. Sampling. Samples of shelled corn should be taken with a grain probe from at least five different locations in the bin. The corn samples from each probe must be carefully placed on a sampling cloth in parallel lines so that each portion may be examined. If the corn appears to be eligible for a loan the inspector should thoroughly blend the various samples taken from the bin. A representative sample of this mixture of not less than 1-1/8 pints should be placed in the moisture-proof container and Kraft envelope. The same methods should be used when sampling truck or wagon loads of corn.

All samples of ear corn should be taken with an approved ear corn probe fitted with an inner core and from at least five different locations in the crib. Such locations to include the center and the bottom of the crib. The

samples should be examined and handled as directed for shelled corn.

Two identical representative samples of corn must be taken at the time delivery is made to a warehouse to be used as collateral for a loan or stored for Commodity Credit Corporation.

When sampling corn for resealing in farm storage if the inspector finds part of the corn seriously damaged he should take a representative sample of the entire mass of corn, and another representing that part of the crib or bin seriously damaged. An estimate should be made of the number of bushels of corn seriously damaged and shown on the work sheets accompanying the samples.

When corn is delivered to a terminal or subterminal elevator by the producer in liquidation or renewal of his loan and the warehouseman does not have a licensed inspector available, it is necessary that the borrower and the warehouseman agree that representative samples have been drawn. Such samples are to be sent to an inspector licensed under the U.S. Grain Standards Act for grade determination. The samples must be accompanied by a statement signed by the warehouseman and the borrower. This statement must be similar to that found on the "Certificate in Regard to Grade and Weight" which is a part of 1938-39 CCC Corn Form T-1.

Section 14. Approval of Corn Warehouses. All warehouses must be approved by Ivan C. Harden, Special Representative of Commodity Credit Corporation, before receiving loan corn for storage or shipment. The Corporation through the State offices will supply county committees with necessary forms and instructions concerning the approval of country warehouses. When these forms are received county committees should immediately communicate with warehousemen in order that arrangements can be made for storage or shipment of loan corn.

Section 15. Shortage in Quantity. In section 2(a) of 1938-39 CCC Corn Form A, and in section 2(a) of 1938-39 CCC Corn Form A-1, the borrowers warrant the existence of the number of bushels of corn used in computing the amount of the loan. Whenever the total number of bushels of corn resealed for a loan extension or renewal or delivered is less than the number of bushels used in computing the loan, the amount of corn represented by the shortage did not exist, or was converted by the borrower, except when there was loss by fire or other insured cause. Unless a borrower satisfies the county committee that a shortage was caused by a risk, covered by insurance, it shall be presumed that the corn represented by such shortage did not exist. In such cases, the county committee should request the borrower to make settlement at 57 cents* per bushel plus interest and secondary insurance calculated at the rate of .000064 cents per day per bushel, for the time beginning with the date of the note and ending with the date of the cashier's check, bank draft, or postal money order, given for the settlement of the shortage. (Example: date of note is January 1, 1939, date of settlement is September 1, 1939, making a total of 243 days. A shortage of 100 bushels exists. 100 bushels times 57 cents is \$57.00. 100 bushels times 243 days times .000064 cents is \$1.55. The borrower's deficiency, therefore, is \$57.00 plus \$1.55, or \$58.55.)

* In all instructions and on all forms where reference is made to 57 cents per bushel, noncommercial corn areas should substitute therein 43 cents per bushel.

When a shortage is caused by theft, evidence must be secured establishing such theft and a complete report made on Corn Loan 11 by the county committee as provided in Corn Loan 12, Supplement No. 1, Part II. The two copies of Corn Loan 11 which are prepared for Commodity Credit Corporation and all evidence of theft should be transmitted with the 1938-39 CCC Corn Form W for the loan. The county committee should permit the borrower to deliver or complete an extension or a renewal on the remainder of the corn.

Conversion of mortgaged property to the use of the borrower is punishable under State criminal codes. The Commodity Credit Corporation does not wish to raise the question of criminal liability and no such question will be raised if settlement is made at the rate of 57 cents per bushel plus interest and insurance charges, as stated above.

If the county committees determine that a borrower is entitled to receive payments under any program administered by the Agricultural Adjustment Administration and such payments have not been made, the borrower may be permitted to execute form AAA-372 in lieu of cash settlement. The county committees shall transmit form AAA-372 to the State committees promptly indicating on 1938-39 CCC Corn Form W that form AAA-372 was executed and indicate the date on which such form was transmitted to the State committee.

39-Corn Loan 7 should be prepared in quadruplicate. The original copy is to be attached to the 1938-39 CCC Corn Form W. A signed copy shall be sent to the State committee. A copy should be retained in the county office, and a copy given to the borrower.

Section 16. Deficiencies in Quality. Borrowers agreed in 1938 CCC Corn Form A, section 2(a) and in 1938-39 CCC Corn Form A-1, section 2(a), to deliver corn grading No. 3 or better. When a borrower delivers corn which is damaged from a cause covered by insurance, the procedure provided in Corn Loan 12, Supplement No. 1, Part II should be followed. When the damage is from other causes, the difference in the market value of the damaged corn and grade No. 3 corn may be determined by the following schedule of differences.

The grade determination made in the State office and reported on Corn Loan 15 shall be used except when damaged corn does not come within the classification for which discounts are shown herein and such corn is sold separately from other corn. In such cases, the difference in the sale price and the value of grade No. 3 corn on the date of sale shall be determined by the Commodity Credit Corporation and reported to the county committee on a statement of deficiency (39-Corn Loan 7) and such difference shall be used in computing the amount of the deficiency. Payment of deficiencies shall be paid and reported as provided in section 15 hereof.

Schedule of Discounts for Yellow, White, and Mixed Corn
(subject to revision)

Grade No. 4 - 2 cents (2¢) per bushel Grade No. 5 - 4 cents (4¢) per bushel

Sample Grade

Minimum		Maximum Limits of				Discount Rate	
Test	Moisture	Cracked Corn and:	Heat	Damaged Kernels		per Bushel	(cents)
Weight		Foreign Material:	Total	Damaged			
(pounds)	(percent)	(percent)	(percent)	(percent)			
44	17.5	10	20	5.		7	
44	17.5	10	25	5.		9	
44	17.5	10	30	5.		11	
44	17.5	10	35	5.		13	

An additional one cent (1¢) discount if musty.

Any lot of corn which does not come within these requirements or which is musty, weevily, sour, heating, hot, or contains stones or cinders, or which has any commercially objectionable foreign odor or is otherwise of distinctly low quality shall not be mixed with other corn but sold separately, pursuant to instructions from Ivan C. Harden, Special Representative, Commodity Credit Corporation, Chicago, Illinois.

Section 17. Serial Numbers. At the time the extension or renewal of the loan documents is being completed, the county committee shall assign a serial number which shall be preceded by the State and county code numbers. Such serial numbers shall be assigned in consecutive order and shall begin with number 1 in all counties. Only one series of numbers is to be used for all extensions and renewals. Numbers assigned to loans on shelled corn in farm storage shall be preceded by the letters "F S" and by "F E", if ear corn. Numbers assigned to loans on corn in warehouse storage shall be preceded by the letter "W" and as all such corn is shelled, the letters "S" and "E" need not be used. (Examples: 42-069-FSI, 42-069-FE2, 42-069-W3.)

Section 18. Report of Corn Loan Extension, Renewal or Liquidation. A report on 1938-39 CCC Corn Form W shall be prepared by the county committee for each loan and shall be transmitted when the total number of bushels of corn covered by the loan has been resealed for an extension or renewal, or delivered, and settlement made for quantity or quality deficiency as shown on 39-Corn Loan 7. County committees are cautioned to complete 1938-39 CCC Corn Form W in detail. Lending agencies have been notified to send all loan documents held by them to the offices of Commodity Credit Corporation. All loan documents on 1937 corn are held by Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois. The documents for loans on 1938 corn are held by offices of Commodity Credit Corporation, serving their respective areas, as provided in 1938-39 CCC Corn Form 1. Reports on Form W should be transmitted in duplicate to the agency which holds the loan documents. If a county committee finds that a lending agency has not transmitted loan documents to the Corporation, they should advise the lending agency to do so at once.

Section 19. Report of Extensions and Renewals Certified. County committees shall make a report of all loan extensions and renewals certified on 39-Corn Loan 4 on the first and sixteenth of each month. The original and two copies are to be transmitted to the State office and the third copy to be retained in the county office. The state office will forward one copy to the Director of the Division.

PART II. PROCEDURE WHEN CORN IS DELIVERED TO COMMODITY CREDIT CORPORATION.

Section 1. Central Office. Commodity Credit Corporation has established a central office at the Loan Agency of the Reconstruction Finance Corporation, 164 West Jackson Boulevard, Chicago, Illinois, for the handling of corn collateral delivered in payment of 1938 and 1938-39 corn loans. The North Central Division of the Agricultural Adjustment Administration has a representative in this office to forward instructions to all State and county agricultural conservation committees interested in corn loans.

Section 2. Notice to County Committees. Borrowers desiring to deliver their corn collateral in payment of their loans must notify the county committees and obtain instructions as to delivery before breaking the seals and delivering the corn. County committees should not authorize delivery of corn until:

- (a) It is ascertained that the borrower cannot or does not desire an extension or renewal of a loan on the corn.
- (b) Authority has been received from State committees to accept deliveries.
- (c) An inspection shows the quantity and quality of the corn to be acceptable or a settlement has been arranged as provided in sections 15 and 16 of Part I hereof.
- (d) Authority to deliver has been given the borrower on 1939 Corn Loan 15, and a copy transmitted to the warehouseman.
- (e) It is determined that the warehouse to which the corn is to be delivered has been approved.
- (f) It is determined that, in the case of corn to be stored in structures provided and owned by Commodity Credit Corporation, such storage space is available, and arrangements have been made for weighing and loading.

Section 3. Reinspection and Delivery. When a borrower indicates to the county committee that he will deliver corn in liquidation of a loan, and when the provisions of Part II, section 2, have been complied with, the county committee shall prepare two copies of Corn Loan 15, completing such form down to and including "Name and Address of Warehouse." The forms shall be signed and dated by the chairman or the secretary. The seal number or numbers and the amount of corn in each crib or bin covered by the loan should be entered. If only part of the corn is to be delivered, such amount should be indicated on the form 15 opposite the loan bushels and should be marked, "To be delivered." (Example: Seal No. 1124, Bushels 1800 (1200 bushels to be delivered).)

The county committee shall transmit both copies of Corn Loan 15 to an inspector who shall reinspect the corn collateral. If he finds the quality to be acceptable and there is no shortage in quantity, he shall deliver the original copy of Corn Loan 15 to the borrower and transmit the duplicate copy to the warehouseman. He should instruct the borrower that a sample will be required as provided in Corn Loan 15 and that both copies of the form must be signed by the borrower and warehouseman and sent to the office of the county committee with the sample. Not more than the number of bushels used in computing the amount of the loan will be received for the account of Commodity Credit Corporation. Any additional corn delivered is for the account of the producer. If it is the opinion of the inspector that the corn will grade lower than No. 3 or that there is a shortage he shall make a complete report to the county committee by preparing one copy of Corn Loan 11 showing the condition found and the cause. The county committee will proceed as provided in Corn Loan 12, Supplement No. 1, Part II, if the loss or damage is covered by insurance. The inspector should not authorize the delivery of corn where there is loss or damage which is covered by insurance until instructed to do so by the county committee. Before delivery is authorized on corn that will grade less than No. 3 corn, the inspector should determine that it can be handled by the warehouseman without mixing with corn of other grades.

Section 4. Report of Corn Delivered. Corn delivered in liquidation of a loan shall be reported as provided in Part I, section 18, hereof.

Section 5. Shipping Instructions. County committees should write or wire to Ivan C. Harden, Special Representative, Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, for shipping instructions and such request should contain the following information:

<u>Shipping Point</u>	<u>:</u>	<u>Railroad</u>	<u>:</u>	<u>Bushels</u>	<u>:</u>	<u>*Grade and Color</u>
:	:	:	:	:	:	:
:	:	:	:	:	:	:
:	:	:	:	:	:	:

If shipping instructions are desired for a number of cars, the number and period during which shipment will be made should be given.

Section 6. Bills of Lading. Commodity Credit Corporation shall instruct all country elevators handling corn for their account to forward bills of lading direct to its office at Chicago, Illinois. In the event bills of lading are sent to the county committees in error, the same should be forwarded immediately to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois.

Section 7. Reports of Warehousemen. When signed warehouse agreements are received and executed, Commodity Credit Corporation will provide warehousemen with forms and instructions pertaining to corn handled for their account. Copies of these forms and instructions will be furnished State and county committees.

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* If sample grade, state percent of heat damage and total damage.

Section 8. Shipments by Truck or Barge to Terminal or Subterminal Markets. Where shipment by truck or barge appears to be the most economical, county committees are requested to write or wire the Special Representative of Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, for approval to make such shipments, stating the number of bushels, grade and color, cost, location of the corn and market to which shipment is to be made, and also stating briefly the reason for such request.

Section 9. Sales of Corn Collateral by County Committees. It is not intended that any sales of corn shall be made by county committees except in those cases where at the end of the delivery period less than carload lots exist and shipment is inadvisable. Such sales must not be consummated except on the express authority of the Special Representative, Commodity Credit Corporation, Chicago, Illinois. At the time deliveries of corn are being completed, county committees may find that they have less than carload lots of corn at delivery points which cannot be stored locally. If they have small lots at other shipping points located between the point of origin and the point of destination, at a terminal market and on the same railroads, it may be possible to avoid shipments of small lots and combine such lots into full carloads. County committees should arrange to use the warehouseman's cleanup car privilege, if necessary.

Section 10. Scale Tickets and Warehouse Receipts. (a) The local elevator should be instructed to issue separate scale tickets or warehouse receipts for the corn delivered by each producer for the account of Commodity Credit Corporation. Such scale tickets or warehouse receipts must show the weight and color of the corn delivered and must be issued in the name of the Commodity Credit Corporation, showing the name and address of the producer delivering the corn. The estimated grade of the corn delivered may also be shown. Such scale tickets shall be delivered to the county committee and held by them until advised by the Commodity Credit Corporation of disposition of the corn evidenced by said scale tickets. Should permission be granted to store the grain, the county committee shall surrender to the local elevator the scale tickets covering the corn that is to be stored, in order that warehouse receipts may be issued.

(b) Warehouse receipts are to be issued in the name of Commodity Credit Corporation and must show weight, grade and color of the corn represented by said warehouse receipts and must be negotiable in form. Such receipts are to be delivered to the county committee who, in turn, shall forward the same with the Form W, to the Commodity Credit Corporation, c/o the Loan Agency of the Reconstruction Finance Corporation holding the loan documents.

Section 11. Grade and Weight Determination. Country warehousemen, as shippers, will be notified as to the grade and weight determination made at terminal or subterminal markets. If such grade is lower than the grade determined by the shipper, he may call for a Federal appeal and notify the county committee of such action. County committees or their representatives should contact warehousemen and carefully check the terminal and subterminal grades against the grades shown on Corn Loan 15. In all cases where the grade determined at the terminal or subterminal market does not agree with the grade indicated on Corn Loan 15, county committees should immediately send to the State office for grade determination one of the samples which accompanied Corn Loan 15 to the county office. The instructions stated on Corn Loan 15 should be carefully followed.

When the grade of corn as determined at terminal or subterminal markets is in agreement with the estimated grade indicated on Corn Loan 15, and no deficiency in grade is involved, the two samples secured, as provided in 1939 CCC Corn Loan 15, may be disposed of by the county committee, as it will not be necessary to send any samples to the State office.

Section 12. Return of Loan Papers. Upon receipt by Commodity Credit Corporation of 1938-39 CCC Corn Form W, indicating the full quantity and quality of corn pledged was delivered or all of the pledged corn has been accounted for by an extension or a renewal of the loan and payment of any deficiency arising because of the quantity or quality of corn delivered, the producer's note and mortgage will be marked "Paid" and returned to the county committee. Members of the county committee shall release the mortgage and the fee charged for such release may be paid from the county association's funds.

State _____

County _____

TRANSMITTAL OF INSURANCE FEES

(Date)

Commodity Credit Corporation,

Washington, D. C.

Gentlemen: (Attention: Mr. G. E. Rathell, Treasurer)

In accordance with the provisions of 1938-39 CCC Corn Forms A-2, A-4, and A-5, there is enclosed herewith \$ _____ which is equivalent to $\frac{1}{5}$ of a cent per bushel when the corn is stored on the farm and $\frac{1}{10}$ of a cent per bushel when the corn is stored in an approved warehouse for all loan extensions or renewals certified during the month of _____, 19___. Such remittance is to be used to protect the Corporation against loss or impairment of any corn collateral from the perils of fire, lightning, cyclone, tornado, windstorm, inherent explosion, flood, hail, and theft.

Very truly yours,

County Agricultural
Conservation Association,

By _____

Enclosure

(Title)

Receipt of the above-stated amounts is hereby acknowledged.

Commodity Credit Corporation,

Date _____ 19__.

By _____
Treasurer

(To be mimeographed in State and county offices)

39 Corn Loan 7
United States Department of Agriculture
Agricultural Adjustment Administration

State _____

County _____

Loan Serial No. _____

Date of note _____ Amount _____ Bushels _____

Settlement of Corn Deficiency

Commodity Credit Corporation

c/o _____ Loan Agency

Reconstruction Finance Corporation

Gentlemen:

(name of borrower)

(address)

has made payment for deficiencies arising in connection with the above described note calculated in the following manner:

Shortage in quantity _____ bu., at *~~57~~¢ per bu. \$ _____

Interest and secondary insurance charges to _____, 19__

totaling _____ days at .000064¢ per bu., per day \$ _____

Deficiency in quality _____ bus., at _____ ¢ per bu. \$ _____

Grade of corn _____ Heat damage _____ Total damage _____

Remarks: Musty _____ Etc. _____ Total deficiency \$ _____

Attached herewith is ☐ cashier's check, ☐ bank draft, ☐ postal money order for \$ _____, or ☐ Form AAA-372 was executed on _____ 19__ and submitted to the State office on _____ 19__.

If remittance is not made in the above manner, Commodity Credit Corporation is requested to file a set-off for deficiency with the Secretary of Agriculture.

The undersigned borrower agrees to the settlement of the deficiency on the above captioned loan by the method used.

(Signature of borrower)

County
Agricultural Conservation Committee.

(date)

By _____ Chairman
Secretary

This form is to be executed in quadruplicate, the original copy to accompany 1938-39 C.C.C. Corn Form W to the Loan Agency of Reconstruction Finance Corporation holding the note: One copy to be mailed to the State office. A copy should be given to the borrower and a copy retained in the county office.

* 43¢ in noncommercial corn areas.

(Mimeograph in State and county offices until printed copies are available.)

Corn Loan 15
United States Department of Agriculture
Agricultural Adjustment Administration

State _____
County _____

SAMPLE AND GRADE CERTIFICATION

Seal No. _____ Bushels _____
Seal No. _____ Bushels _____
Seal No. _____ Bushels _____
Seal No. _____ Bushels _____

Loan Serial No. _____
Date _____
Total \$ _____
Bushels _____
Year Produced _____

(Name and Address of Borrower)

You are hereby instructed to make delivery on (date) _____ to the following warehouse: (If unable to make delivery on above date notify county ass'n at once)

(Name and Address of Warehouse)

the corn described in the chattel mortgage. Since the borrower is responsible for any deficiency in grade, care should be taken to see that the corn, when shelled, is properly cleaned and that badly damaged ears are thrown out. A representative sample should be secured from each load of corn delivered. When delivery is completed, the borrower and warehouseman should sign the following certification:

The undersigned hereby certify that a sample was taken of the corn delivered by the above-named borrower and that such sample is representative of all the corn delivered by such borrower under the above loan. Such sample was sealed and forwarded to the county agricultural conservation association for determination of grade. It is our opinion that this corn will grade as follows:

Grade _____ Moisture _____ Damage _____ Bushels Delivered _____

Date _____

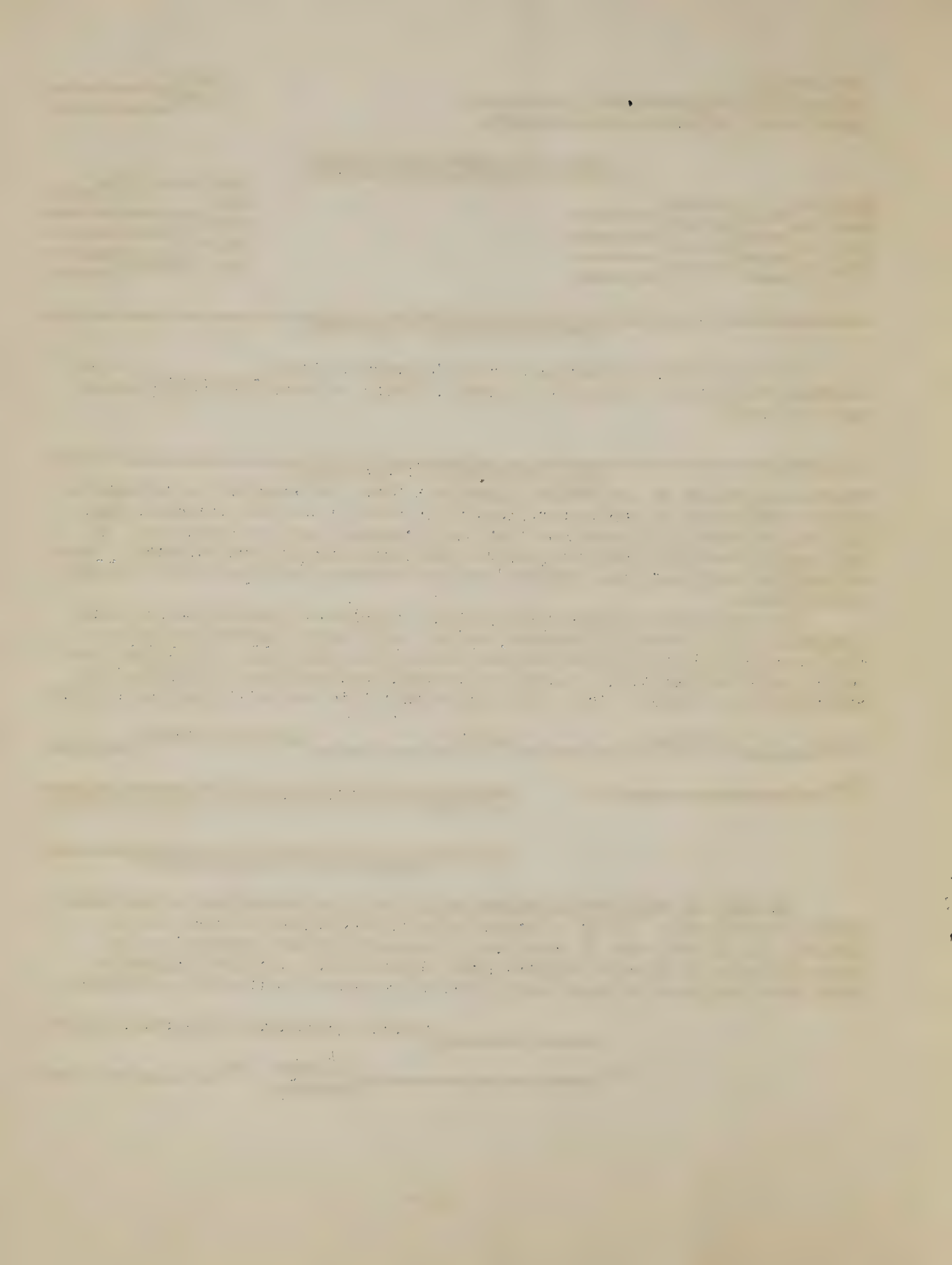
(Signature of Borrower or his Representative)

(Signature of Warehouseman)

One-half of the above-described sample will be transmitted to the State office for analysis; (1) if a renewal as a warehouse shelled corn loan is desired; (2) if such corn is received by Commodity Credit Corporation for local storage; (3) in case terminal grade determination for corn shipped is other than the grade indicated above, (4) if requested by the State committee.

County Agricultural Conservation Ass'n.

By _____ Chairman Date _____
Secretary



Corn Loan 15 (continued)

MOISTURE AND GRADE DETERMINATION

(This determination is made only for the corn loan program and is not to be construed as an inspection under the U. S. Grain Standards Act).

Test Weight	Cracked Corn	Damaged Heat	Weevily,	Temper-	Meter
Color	Per Bushel	and foreign	Musty,	ature	Reading Moisture
		kernels	Damaged		
		material	Sour, etc.		

State Agricultural Conservation Committee

By _____ Date _____

(This certificate shall be prepared in duplicate in the county office, the copy to be forwarded to the borrower as a notice to make delivery and one copy to the warehouseman. Upon completion of delivery both copies should be signed by the borrower and warehouseman and delivered to the county agricultural conservation association. These copies will be forwarded to the State agricultural conservation committee with sample of corn in case sample is submitted for grade determination, the original copy to be returned to the county office with the grade determination for filing. If a grade determination is made by the State office, the county association shall type three copies from the original, also typing the signature, and send one copy to the warehouseman, one copy to the borrower, and one copy to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois).

(TO BE PRINTED- mimeographed in State and county offices until printed copies available)

39 Corn Loan 4

United States Department of Agriculture
Agricultural Adjustment Administration

State and County Code

COUNTY COMMITTEE REPORT OF CORN LOANS EXTENDED OR RENEWED
On 1938-39 C.C.C. Corn Forms A-2, A-4, A-5.

On 1938-39 C.C.C. Corn Forms A-2, A-4, A-5.

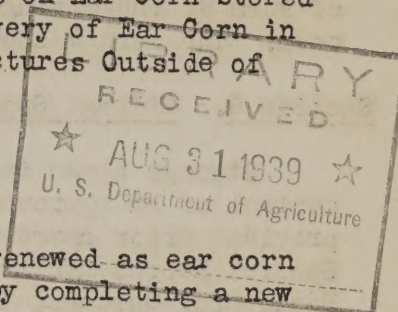
[illegible]

(Chairman
(Secretary

Issued August 18, 1939.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Instructions Concerning the Renewal of Loans on Ear Corn Stored on the Farm or in Approved Warehouses, Delivery of Ear Corn in Payment of Loans, and Storage Space in Structures Outside of Warehouses.



Section 1. Renewal of Loans on 1937 Ear Corn.

Loans on 1937 ear corn may be extended or renewed as ear corn loans by the use of the extension agreement or by completing a new chattel mortgage. Such loans should be made only in case the corn is in very good condition and free from rodent or insect infestation.

Section 2. Renewal of Loans on Ear Corn Stored in Warehouses.

Loans may be made on eligible ear corn when stored in an approved country warehouse provided the warehouse receipt is accompanied by a Corn Loan 18 "Warehouseman's Certificate", properly executed, a copy of which is attached hereto. It should be noted that the certificate is to be construed as supplementing the Warehouse Agreement, and that the cost of shelling shall not be a charge against the holder of the receipt.

Each warehouse receipt for ear corn must state the amount of corn in bushels (not pounds), and the warehouseman will be required to deliver the stated number of bushels as shelled corn of the grade indicated on the receipt. 1938-39 CCC Corn Form A-5 "Corn Producer's Note and Loan Agreement" will be used for such loans without altering the reference to shelled corn.

Section 3. Delivery of Ear Corn in Payment of Loan for Storage in Approved Warehouses.

Ear corn may be delivered in payment of loans provided approved warehouse space is available and a properly executed Form 18 is attached to the warehouse receipt. The Corn Loan 18 "Warehouseman's Certificate" may be prepared by the warehouseman or in the county office.

Section 4. Settlement of any Deficiency for Ear Corn.

Settlement of any deficiency in connection with loans pertaining to which ear corn is stored in a warehouse under loan, or is delivered in payment of the loan, shall be on the basis of the number of bushels of corn indicated on the receipt. The instructions in Sections 15 and 16 of 39 Corn Loan 8 pertaining to deficiencies shall be followed.

Section 5. Statement of Delivery of Ear Corn.

In each case of an ear corn renewal loan or delivery of ear corn, a short statement should be attached to the front of each copy of Form W, indicating that the new loan or the corn delivered is ear corn. The Form W should also indicate that the corn is ear corn.

Section 6. Storage Space Outside of Warehouses.

Storage space in box cars or other structures which is under the control of an approved country warehouse will be acceptable storage provided prior approval of such space is secured from Mr. Ivan C. Harden, Special Representative, Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois.

Section 7. Commingling of Corn for Renewal Loans.

Corn collateral of two or more original loans by the same producer may be commingled for a renewal loan. Also corn collateral of two or more producers may be commingled for a joint renewal loan. In such cases, the following new Sections A and B of the Chattel Mortgage shall be completed and securely attached to the Chattel Mortgage:

A. The Chattel Mortgage is submitted in substitution for the following described loans:

Amount	: Name of : Payee	: Date of : Note	: Secured by: : Bushels	: Year : Produced
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:

B. This Chattel Mortgage secures loan evidenced by note on 1938-39 Corn Form A-3 in the amount of \$ _____, dated _____, plus accrued interest and charges on the loan value of the respective quantities of corn collateral (hereinafter described) previously mortgaged as security to notes described in Section A, above. Commodity Credit Corporation is authorized to determine and insert in said note the amount of such accrued interest and charges.

In such cases of commingling, the report of corn on Form W for each loan should be attached to the new Note and Chattel Mortgage. If commingling includes both 1937 and 1938 corn, the new Note and Chattel Mortgage and the Form W should be sent to the loan agency of Reconstruction Finance Corporation serving the area.

Corn Loan 18

Date _____

WAREHOUSEMAN'S CERTIFICATE

For attachment to Warehouse Receipt No. _____,
dated _____, representing _____ bushels of ear
corn. The undersigned agrees, upon the demand of the holder of
said warehouse receipt, to shell and load said corn in cars or
trucks at the option of and without additional cost to the holder
of the receipt. Further, the undersigned agrees to deliver in
shelled corn the number of bushels set forth in the warehouse
receipt, grading not less than the grade shown on Corn Loan Form
15 attached to said receipt. This certificate shall be construed
as supplementing the Country Warehouse Agreement (1938-39 CCC Corn
Form T) with Commodity Credit Corporation, and all terms and
conditions of said agreement shall apply to the ear corn represented
by said warehouse receipt.

(Location of Warehouse)

(Warehouse Company)

By _____

(Title) _____

Warrantee's Certificate

For attachment to Warrantee Receipt No. _____
dated _____ representing _____
where the undersigned agrees upon the record of the holder of
said warrantee receipt, to hold the land and give in case of
breach of the option of one of those additional acres to the holder
of the receipt. Further, the undersigned agrees to deliver in
shelved form the name of holder of land in the warehouse
receipt, greater not less than the profit shown on said form
in attached to said receipt. This certificate shall be returned
on assignment of the County Warehouse Agreement (1935-36) due
June 30 with County Credit Corporation, and all laws and
provisions of said agreement shall apply to the use and enjoyment
of said warehouse receipt.

(Signature of Warrantee)

(Signature of Warehouse)

(Signature of County)